

# Promoting Equity through the Pandemic

How COVID-19 Stabilization Grants Offered States Opportunities to Innovate



Presented at TEACH April 27, 2023

# Agenda



Session Overview

50 State Scan

Case Studies

Final Reflection

# Session Goals

- Increase knowledge on various equity approaches to EEC funding distribution
- Increase understanding of the intended vs. realized impact of various equity approaches to EEC funding distribution that can be applied for future funding decisions
- Benefit from peer-to-peer exchange of information and ideas to improve support for EEC workforce

# Who We Are

The Center for Early Learning Funding Equity (CELFE) builds capacity for assessing and ensuring adequacy and equity in early learning funding systems through research and transformative partnerships. We create innovative approaches and funding mechanisms that support the diverse needs of children and families



# Our Team



**Theresa Hawley**  
*Executive Director*



**Maya Portillo**  
*Policy Associate*



**Serah Fatani**  
*Senior Fellow*



**Sophie Johnson**  
*Summer Fellow*

# Defining Equity

## *The Problem*

Access

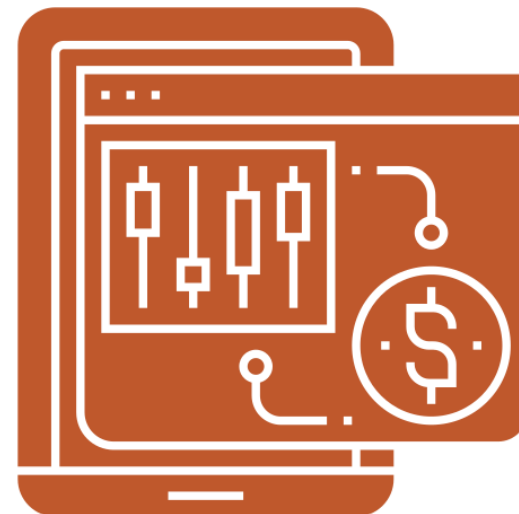
Quality

Workforce

Funding

## *The Opportunity*

**“Funding  
Mechanism  
Matter”**



## *The Vision*

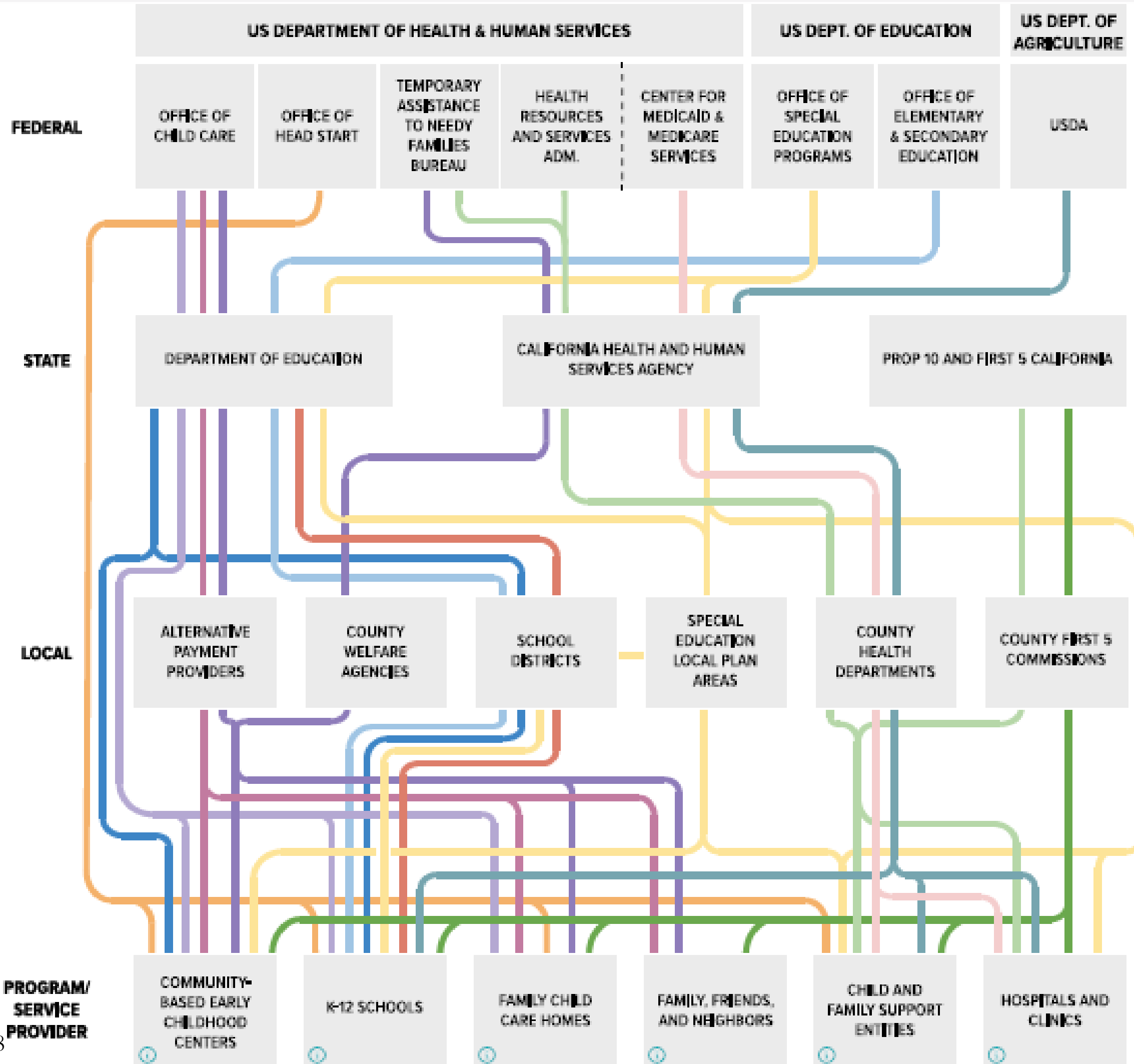
**All children** participate in effective, high quality, culturally responsive, early education and care that meets their unique needs and supports their unique assets.

**All families** may access safe and nurturing care for their young children while they work and attend school.

**All education and care providers** experience equitable compensation and supportive employment practices within stable, equitably funded businesses.

# Our Early Childhood Education and Care Funding System

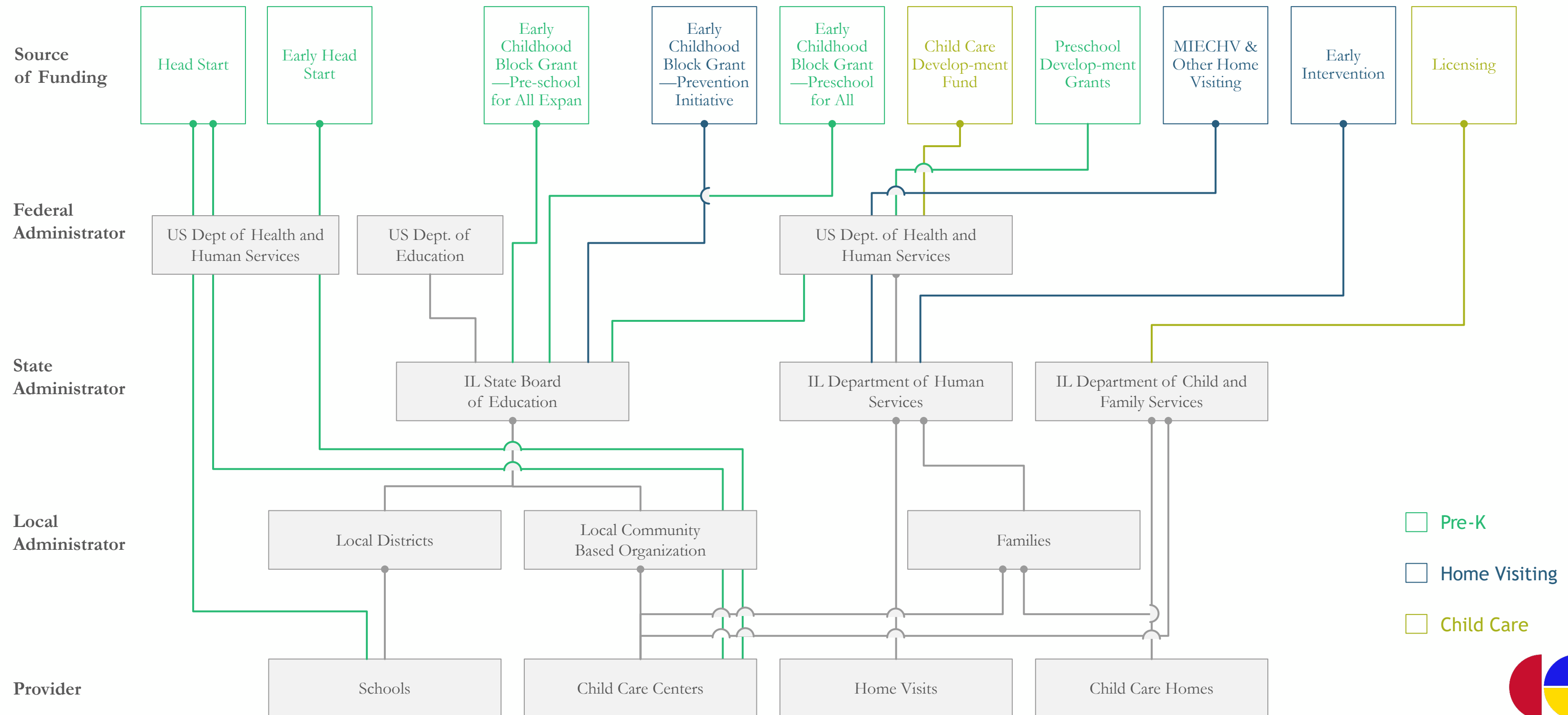




# Early Childhood Education and Care Funding System Example: California



# Early Childhood Education and Care Funding System Example: Illinois



# Defining Mechanisms

- ❖ Mechanisms can be provider-oriented, family-oriented, workforce-oriented, and system-oriented
- ❖ Mechanisms are not mutually exclusive, and they can be used in combination to support a comprehensive ECE system

## Vouchers:

- Vouchers are subsidies that are provided to families to help them pay for ECE services. Vouchers can be targeted to low-income families or to families with certain characteristics, such as children with disabilities

## Contracts:

- Contracts are agreements between a funding agency and an ECE provider. Contracts can be used to specify the types of services that will be provided, the quality standards that must be met, and the payment terms for the provider

## Grants:

- Grants are awards of funds to ECE providers or organizations to support the delivery of services. Grants can be used to fund specific programs or services or to support general operations

## Tax Credits:

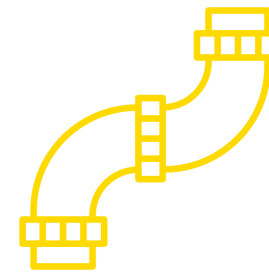
- Tax credits are reductions in tax liability that are provided to families or ECE providers. Tax credits can be used to support ECE services, such as the cost of providing care or the cost of training and developing the ECE workforce

# Activity 1

Self-Reflection: 10 minutes

**What is your state's architecture?**

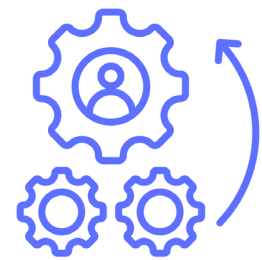
**What would the mapping of pipes look like in your context? (Funding streams vs. Funding mechanism)**



**How are you thinking about equity in your work?  
How is your state thinking about equity?**



**What is your role within your state?**



**What is your circle of influence?**



# COVID Grants Timeline



## CARES

*March 2020*

\$3.5 Billion

Deadline 9/30/22

Key features: Provide child care assistance to emergency and frontline workers and to help stabilize the child care market

## CRRSA

*December 2020*

\$10 Billion

Deadline 9/30/23

Key Features: Provided \$10 billion in supplemental Child Care and Development Fund (CCDF) funding to prevent, prepare for, and respond to coronavirus

## ARPA

*March 2021*

\$39 Billion

Deadline 12/31/24

Key Features: Provide rapid financial relief to child care providers to help them pay for unexpected business costs while resourcing states with funds to execute on long-term sustainable strategies

# Allowable ARPA Expenses

According to the Administration for Children and Families for the following were allowable expenses through ARPA supplemental and stabilization grants

Child Care and Development Fund (CCDF)	Child Care Stabilization Grants
<ul style="list-style-type: none"><li>• Activities to sustain or improve the health or functioning of the child care <b>workforce</b></li><li>• <b>Mental health</b> services and supports for children, families, or child care staff</li><li>• <b>Technical assistance</b> and training for child care providers to promote health and safety in their programs</li><li>• Activities to support the <b>coordination of services</b> and resources for families and providers</li><li>• Assistance to providers to help them <b>improve the quality</b> of their care, such as coaching and consultation, and activities to support continuity of care</li><li>• Activities <b>to address unique needs</b> of children, families, and providers in the child care supply chain</li></ul>	<ul style="list-style-type: none"><li>• Providing relief to child care providers in the form of <b>grants and/or loans</b></li><li>• Support to providers that <b>remain open</b> or reopen</li><li>• Supporting child care providers that have been forced to <b>close</b> due to the pandemic</li><li>• Supporting child care providers that have <b>lost significant enrollment</b> or have <b>increased costs</b> due to the pandemic</li><li>• Providing assistance to child care providers to <b>implement public health protocols</b></li><li>• Providing support to child care providers to <b>reopen or maintain operations</b></li></ul>

# Design Recommendations by CLASP

Designing accessible and inclusive grant application processes

Improving data systems to increase equity and understand needs

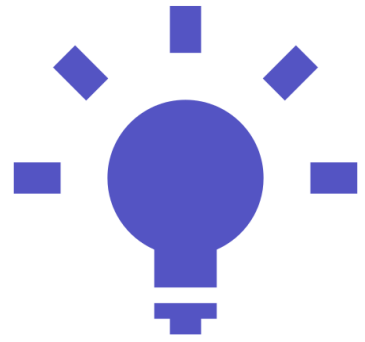
Setting grant amounts that reflect adequate compensation, benefits, and address inequities

Simplifying applications and supporting the true cost of providing care

Funding supply-building activities

Connecting children and providers to mental health services.

# The Project



In May 2022, CELFE launched a multi-state study to analyze strategies implemented using COVID-19 stabilization funds. The project aimed to capture insights and long-term implications of successful infrastructure investments, to shape future state and federal policies for Early Childhood Education and Care.

## The Questions

- How were stabilization funds spent by states?
- How did they structure the administering of funds?
- Did the state direct any funding directly to workforce compensation in any way?
- What data, if any, did states draw upon to inform their strategy?
- How did equity inform the distribution of relief funding?
- What was the impact of the distribution strategy?
- Were there any real-time learnings that helped inform the use of additional COVID relief monies?
- What impacts did their efforts realize?

# The Methodology



## 50 State Scan

- Based on publicly available data
- Sources include **each** States's website, ACF ARPA Child Care Stabilization Funding State and Territory Fact Sheets, Center for Law and Social Policy (CLASP) and the Hunt Institute



## Interviews

- Engaged with **Bipartisan Policy Center (BPC)** to complete a set of interviews with select states



## Validation

- Findings were compiled and provided back to state leaders for comment





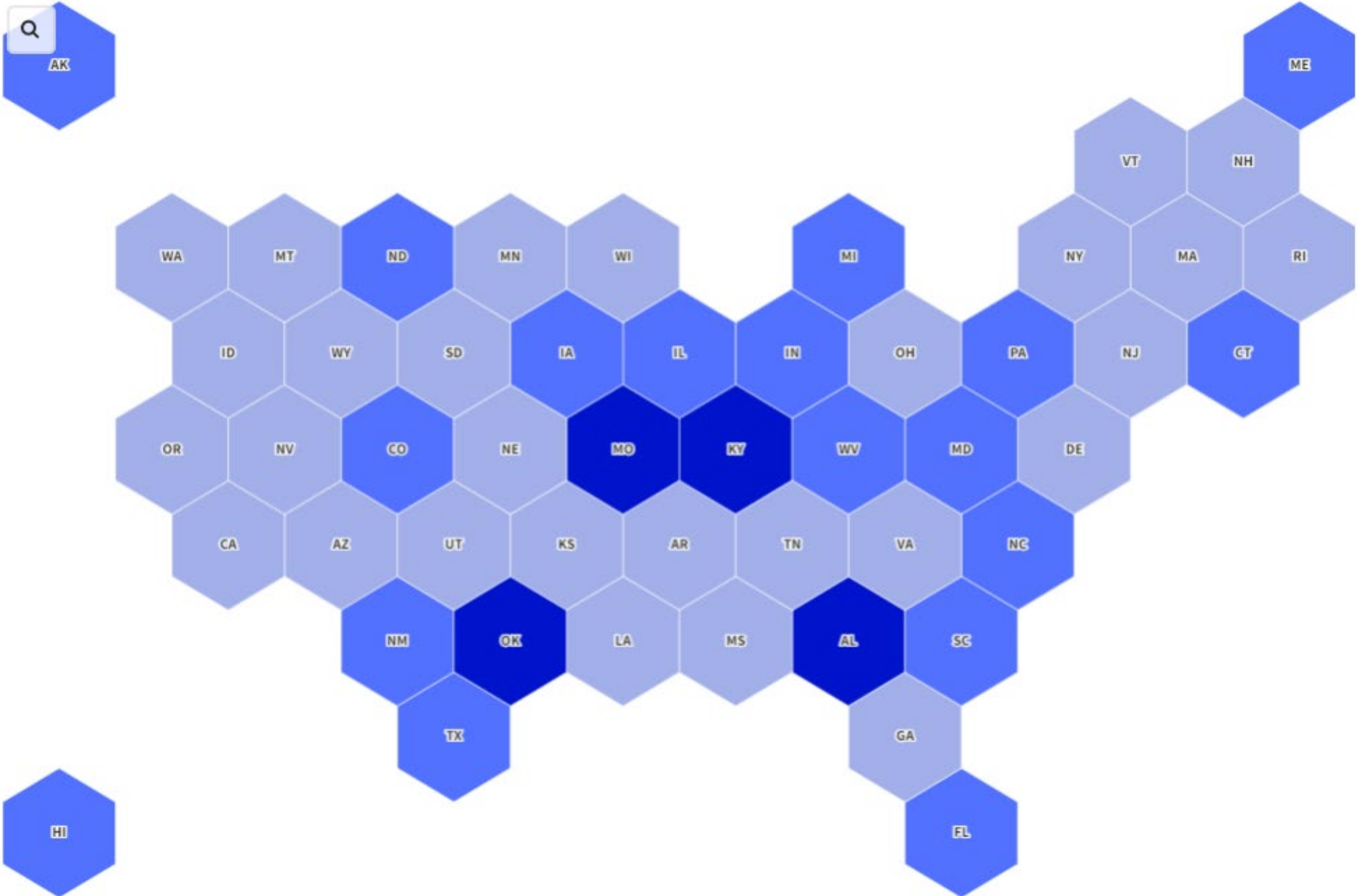
# 50 State Scan

# National Trends

## COVID-19 Stabilization Grant Formula Details

If yes, did they adjust for quality rating within the stabilization grants?

● N/A ● Yes ● No



Scan the QR code to access the map



<https://celfe.org/resources/child-care-stabilization-grants-50-state-scan-2/>

# National Trends: Grant Formulation

**46** states are using criteria other than licensed capacity in the stabilization grant formula

➤ **18** have adjustments for participation in the **state's quality rating system** (QRIS)

➤ **14** have adjustments for services provided outside of **traditional hours**

➤ **18** have differentiated grants formula by **service age** (e.g., infant/toddler vs. school age)

➤ **17** have adjustments of **provider type** (e.g., Family Child Care vs. Child Care Center)

➤ **22** have adjustments for **equity**

❖ SVI: Connecticut • Louisiana • Massachusetts • New Mexico • Oklahoma • Virginia • Texas

# National Trends: Grant Formulation Examples

## SVI Formula

Louisiana is weighting all stabilization grant amounts based on the following SVI scores:

- Level 1: SVI less than 0.25 = Base x 0.14
- Level 2: SVI greater than or equal to 0.26 and less than 0.50 = Base x 0.16
- Level 3: SVI greater than or equal to 0.51 and less than 0.75 = Base x 0.18
- Level 4: SVI greater than or equal to 0.75 = Base x 0.20

## QRIS Bonuses

Alaska provided bonuses on top of base rate for providers participating in Learn & Grow

- Enrolled Programs: \$500
- Level 1 Programs: \$800
- Level 2 Programs: \$1,000

## Differentiation Based on Program Type

California differentiated bonuses by program type

- \$3,500 per Family Child Care Home
- \$3,500 per Child Care Center with a capacity of 14 children or fewer
- \$4,000 per Child Care Center with a maximum capacity of 15 to 24 children
- \$5,000 per Child Care Center with a maximum capacity of 25 to 60 children
- \$6,500 per Child Care Center with a maximum capacity that exceeds 60 children

## Subsidy Enrollment

Alaska offered a flat rate bonus of \$1,100 for providers participating in the Child Care Assistance Program was offered

# National Trends: Grant Formulation Examples

Example states with multi-pronged approach

	Alaska	Maine	Maryland	Florida	South Carolina	West Virginia
Licensed capacity	✓	✓	✓	✓	✓	✓
Quality rating	✓	✓	✓	✓	✓	✓
Non-traditional hours		✓		✓	✓	
Subsidy	✓		✓	✓	✓	
Provider Type	✓					✓
Enrollment	✓			✓	✓	
Age	✓		✓	✓	✓	
Equity	✓		✓	✓	✓	

# National Trends: Workforce Supports Examples

	Alabama	Connecticut
Grant Name	Workforce Recruitment/Retention Sub-Grant	<ul style="list-style-type: none"> <li>Wage Supports for Early Childhood Educators, and</li> <li>Qualified Workforce Incentives (QWI)</li> </ul>
Eligibility	<ul style="list-style-type: none"> <li>Be licensed by the Department as of March 11, 2021</li> <li>Have no adverse actions imposed by the Department</li> <li>Serve private-pay children, children in the Child Care Subsidy Program, and/or children in the DHR Early Head Start-Child Care Partnership Program (excluding programs that only serve children funded by First Class Pre-K, Head Start, or Early Head Start)</li> <li>Be currently operating and continue to operate for one year after receiving the grant award, with exceptions for temporary closures due to ordinary business activities.</li> <li>Seek approval from the Department for any permanent closures that would exempt them from repayment.</li> </ul>	<ul style="list-style-type: none"> <li>Wage Supports for Early Childhood Educators Offers one-time payments for staff at all licensed child care centers, group homes, family child care homes, and license-exempt child care programs that receive School Readiness or CDC funding</li> <li>QWI initiative helps recruit and retain a qualified early childhood teaching workforce. Offered for staff with ECE degrees (tiered by degree type).</li> </ul>
Payment Structure	<ul style="list-style-type: none"> <li>Initial payments were: • FTE: \$1,500 (&gt;25hrs/wk) • PTE: \$750 (16-25hrs/wk)</li> <li>Effective July 2022, payments increase to: • FTE: \$3,000 • PTE: \$1,500</li> </ul>	<p>Wage Supports for Early Childhood Educators:</p> <ul style="list-style-type: none"> <li>Round 1: • FTE: \$1,700 base payment for at least 30 hours p/wk or 130 hours per month • PTE: \$650 base payment for less than 30 hours p/wk or 130 hours per month;</li> <li>Round 2: Similar amount but with additional bonuses for SVI, Quality, Infant/Toddler, and enrolling in ECE registry.</li> </ul> <p>Qualified Workforce Incentives (QWI): Included base payment + bonuses for program accreditation, SVI and service of Infant/toddler populations</p>
Payment Frequency	Quarterly Bonuses for 2 years	<p>Wage Supports for Early Childhood Educators provided one-time payments for individual staff</p> <p>Bi-annually</p>
Payment Method	Payments to providers	<p>Wage Supports for Early Childhood Educators: Payments to providers</p> <p>Qualified Workforce Incentives (QWI): Payments to individuals</p>
Payment Agency	Alabama Department of Human Resources	Connecticut Office of Early Childhood

# National Trends: Workforce Supports Examples

	North Dakota	Vermont
Grant Name	Workforce Recruitment/Retention Sub-Grant	Child Care Workforce Retention Bonus Program
Eligibility	<ul style="list-style-type: none"> <li>•Current membership in Growing Futures (workforce registry)</li> <li>•Completion of the 15-hours Getting Start( wed (basic child care) course</li> <li>•Child care business (your employer) is currently licensed by HHS and has a registered organization account with the Growing Futures Registry.</li> <li>•Child care business (your employer) has verified your employment, start/end date, hours per week, and position within the previous thirty (30) days via the Organization Profile Review.</li> <li>•Individual’s start date of employment is at least 90 days in the past. And worked at least 15-hours per week in the previous 90 days. Individual was employed in a direct care position: director, assistant director, teacher, assistant teacher, and family/group providers.</li> </ul>	<ul style="list-style-type: none"> <li>•For a program to be eligible, the program must be operating as one of the noted program types with an active license, be open and serving children, and be located in Vermont.</li> <li>•Registered Family Child Care Home (FCCH)</li> <li>•Licensed Family Child Care Home (FCCH)</li> <li>•Center Based Child Care and Preschool Program (CBCCPP)</li> <li>•Afterschool Child Care Program (ASP)</li> </ul>
Payment Structure	<ul style="list-style-type: none"> <li>• 15-19 hrs of continuous employment in the previous 90 days = \$150</li> <li>• 20-30 hrs of continuous employment in the previous 90 days = \$300</li> <li>• 31-40 hrs (or more) of continuous employment in the previous 90 days = \$600</li> </ul>	up to \$500 for part-time employees and up to \$1000 for full-time employees.
Payment Frequency	Quarterly, each individual eligible for up to 6 quarters	Twice
Payment Method	Directly to employees.	Payments to providers
Payment Agency	North Dakota Office of Health and Human Services	Vermont Department of Children and Families

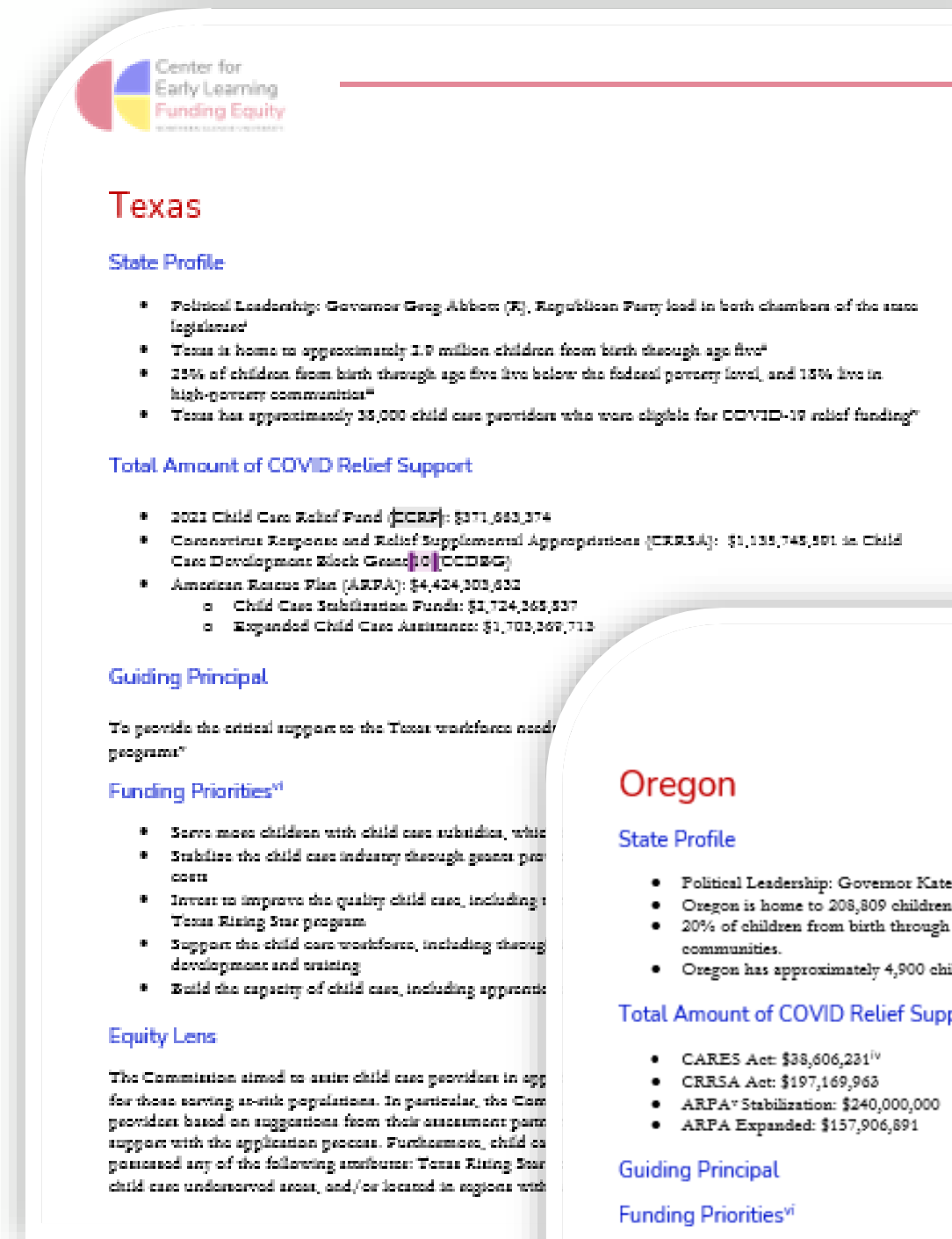


# Case Studies



# Activity

- Find a partner
- Pick two state narratives two review
- 10 mins for individual review
- 15 mins for discussion



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## Texas

### State Profile

- Political Leadership: Governor Greg Abbott (R), Republican Party lead in both chambers of the state legislatures
- Texas is home to approximately 1.9 million children from birth through age five\*
- 23% of children from birth through age five live below the federal poverty level, and 13% live in high-poverty communities\*\*
- Texas has approximately 39,000 child care providers who were eligible for COVID-19 relief funding\*\*

### Total Amount of COVID Relief Support

- 2021 Child Care Relief Fund (CCRF): \$371,663,374
- Coronavirus Response and Relief Supplemental Appropriations (CRRSA): \$1,135,745,501 in Child Care Development Block Grants (CCDBG)
- American Rescue Plan (ARPA): \$4,424,303,633
  - Child Care Stabilization Funds: \$1,724,365,537
  - Expanded Child Care Assistance: \$1,702,307,713

### Guiding Principal

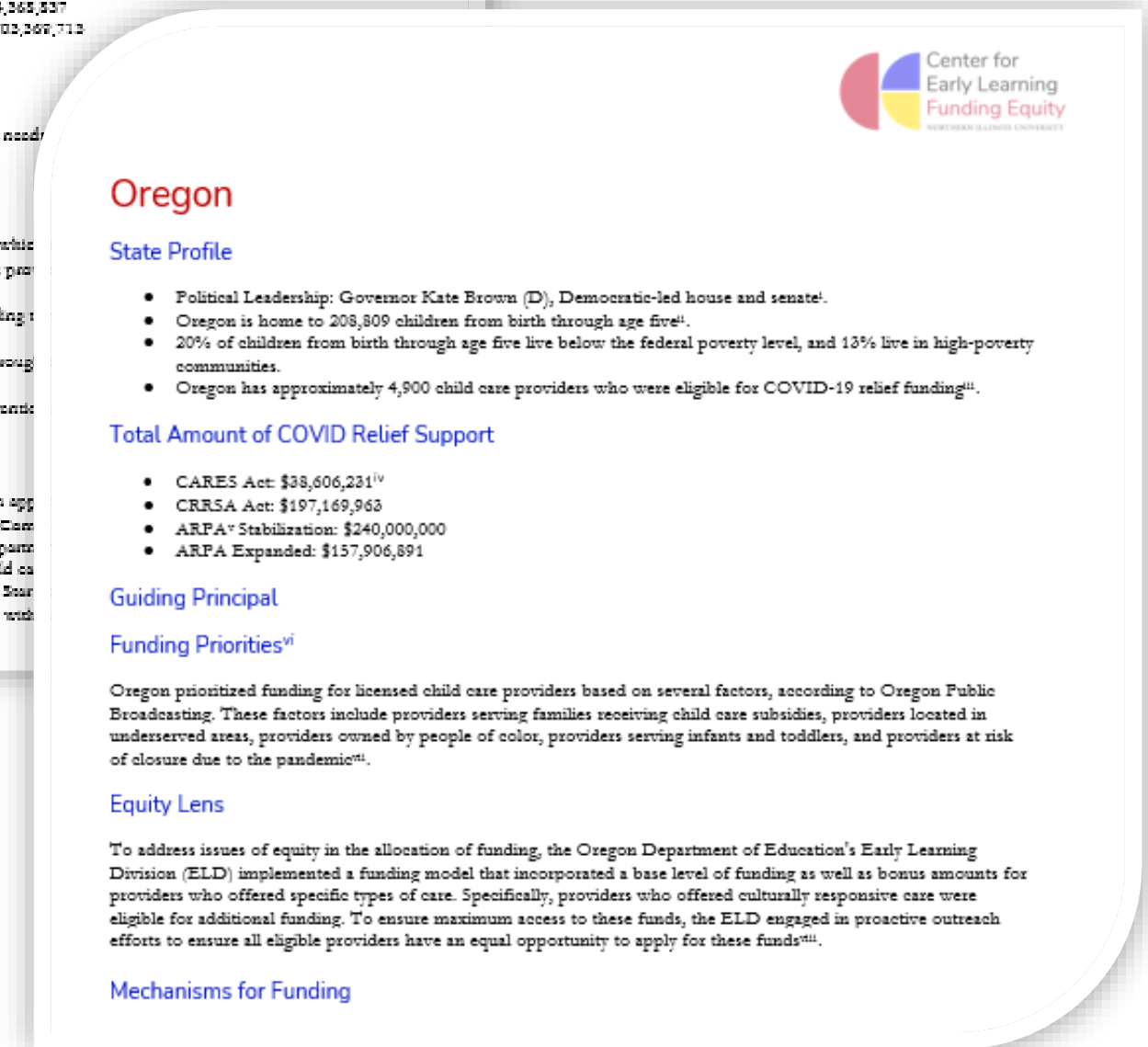
To provide the critical support to the Texas workforce needed to sustain these programs\*\*

### Funding Priorities<sup>vi</sup>

- Serve more children with child care subsidies, while
- Stabilize the child care industry through grants programs
- Invest to improve the quality child care, including the Texas Rising Star program.
- Support the child care workforce, including through development and training
- Build the capacity of child care, including apprenticeships

### Equity Lens

The Commission aimed to assist child care providers in applying for these serving at-risk populations. In particular, the Commission provided support based on suggestions from their assessment phase support with the application process. Furthermore, child care providers who possessed any of the following attributes: Texas Rising Star child care underserved areas, and/or located in regions with



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## Oregon

### State Profile

- Political Leadership: Governor Kate Brown (D), Democratic-led house and senate.
- Oregon is home to 208,809 children from birth through age five\*\*.
- 20% of children from birth through age five live below the federal poverty level, and 13% live in high-poverty communities.
- Oregon has approximately 4,900 child care providers who were eligible for COVID-19 relief funding\*\*.

### Total Amount of COVID Relief Support

- CARES Act: \$38,606,231<sup>iv</sup>
- CRRSA Act: \$197,169,963
- ARPA\* Stabilization: \$240,000,000
- ARPA Expanded: \$157,906,891

### Guiding Principal

### Funding Priorities<sup>vi</sup>

Oregon prioritized funding for licensed child care providers based on several factors, according to Oregon Public Broadcasting. These factors include providers serving families receiving child care subsidies, providers located in underserved areas, providers owned by people of color, providers serving infants and toddlers, and providers at risk of closure due to the pandemic\*\*.

### Equity Lens

To address issues of equity in the allocation of funding, the Oregon Department of Education's Early Learning Division (ELD) implemented a funding model that incorporated a base level of funding as well as bonus amounts for providers who offered specific types of care. Specifically, providers who offered culturally responsive care were eligible for additional funding. To ensure maximum access to these funds, the ELD engaged in proactive outreach efforts to ensure all eligible providers have an equal opportunity to apply for these funds\*\*.

### Mechanisms for Funding

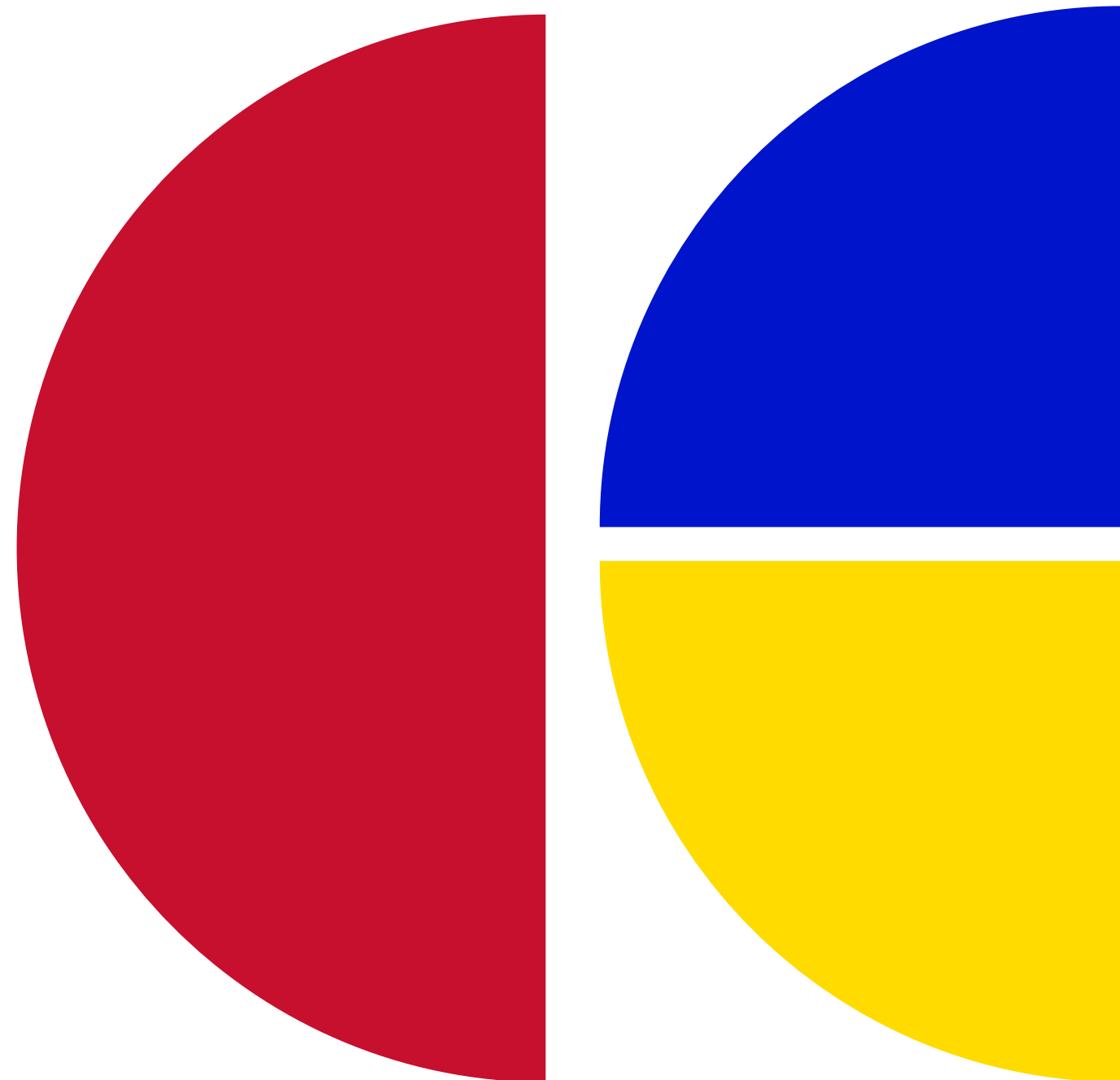
# Reflections

- What trends are you seeing across these state across the various components of the narrative (i.e., funding priorities, equity, mechanisms, and workforce supports)?
- How did the states vary on how they structured their funding formula? Do you agree with that approach? If you had this opportunity again, what would be your recommended changes to this formula?
- Did any states incorporate any of the design principals presented by CLASP?
- What caught your interest?
- How do these strategies differ than what was done in your state or locality?
- What excites you about what you saw and what would like to see happen in your state or locality?
- Can you identify any infrastructure investments are needed to drive equity across the sector?
- What does designing an accessible and inclusive grant application processes look like?

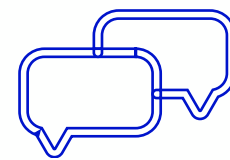


## *Reflections*

Which funding mechanisms produce the most equitable patterns of funding?



# Thank you + Stay In Touch



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